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RUEHCV/AMEMBASSY CARACAS 0626
RUEHMN/AMEMBASSY MONTEVIDEO 2532
RUEHLP/AMEMBASSY LA PAZ 3612
RUEHSG/AMEMBASSY SANTIAGO 2235
RUEHRI/AMCONSUL RIO DE JANEIRO 8480
RUEHRG/AMCONSUL RECIFE 3913
RHEHNSC/NSC WASHDC
RHMFISS/CDR USSOUTHCOM MIAMI FL
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/USDOC WASHDC 2981
RUEHC/DEPT OF LABOR WASHDC
RUEAIIA/CIA WASHDC

UNCLAS SECTION 01 OF 03 SAO PAULO 000961

SIPDIS

SENSITIVE
SIPDIS

STATE FOR WHA/BSC, DRL/ILCSR, INR/IAA, INR/R/AA
STATE PASS USTR FOR KATE DUCKWORTH
NSC FOR TOMASULO
TREASURY FOR JHOEK
USDOC FOR 4332/ITA/MAC/WH/OLAC
USDOC ALSO FOR 3134/USFCS/OIO
DOL FOR ILAB
SOUTHCOM ALSO FOR POLAD
USAID FOR LAC/AA

E.O. 12958: N/A

TAGS: [PINR](#) [PGOV](#) [KDEM](#) [ELAB](#) [BR](#)

SUBJECT: PT INTERNAL ELECTIONS HEAD TO SECOND ROUND

REF: (A) SAO PAULO 949; (B) SAO PAULO 749;
(C) SAO PAULO 742; (D) SAO PAULO 734;
(E) SAO PULO 129; (F)05 SAO PAULO 1110;
(G) 05 SAO PAULO 1076

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY

SUMMARY

¶1. (U) Results in the Workers' Party (Partido dos Trabalhadores - PT) internal elections on December 2 confirm that the old centrist Majority Camp, associated with President Lula and the inner circle of his first term, no longer commands a majority of the party faithful or the leadership, but nonetheless retains considerable influence within the PT. The PT announced the evening of December 4 that incumbent national president Ricardo Berzoini of the majority CNB faction, finished first in the party's December 2 internal elections with 43.75 percent of the valid vote, followed by his fellow Sao Paulo federal deputy, Jilmar Tatto, with 20.51 percent. However, Berzoini fell short of the 50 percent required for a first-round victory and faces a December 16 runoff against Tatto. It is possible that all six also-rans will join forces to try to defeat Berzoini in the second round; however, he may be able to make a deal with either the second- or third-place finisher to secure his victory. The PT continues to command the loyalties of about 16-18 percent of the electorate, and is strong among the working class and the poor, but faces significant challenges as it looks towards the 2010 elections without President Lula as a candidate. End Summary.

¶2. (U) Workers' Party (PT) members went to the polls nationwide December 2 to elect national, state, and local presidents and tickets which will form the basis for PT Directorates and

Commissions. Preliminary estimates are that about 325,000 of the 917,000 registered party members, or 35 percent, turned out to vote, slightly more than in the 2005 elections. The presidents and their tickets are elected for three-year terms. These elections were originally scheduled for late 2008, but the party decided at its National Congress (ref B) to move them up a year to de-conflict them from the 2008 municipal elections. Unlike the 2005 elections (refs F and G), this year's balloting was not held in a crisis atmosphere, as the Lula/PT political corruption scandals are now old news. Nevertheless, the PT is in a difficult situation as it prepares for the 2010 elections for President, Governors, and federal and state legislators all but certain that President Lula will not be a candidate for office for the first time in PT history. It is uncertain whether the party will be able to field a viable presidential candidate of its own.

SHORT OF A MAJORITY

13. (U) With the vote count all but final, former Labor Minister Ricardo Berzoini is leading the race to win another term as PT national president, but has fallen short of the 50 percent needed to win in the first round. He will contest a December 16 runoff against Sao Paulo federal deputy Jilmar Tatto, who garnered 20.5 percent. Berzoini represents the PT's largest faction, the centrist Constructing a New Brazil (CNB), formerly known as the Majority Camp, whereas Tatto is running under an umbrella coalition - "Party is for Fighting" - composed of his own faction, "PT for Struggles and Masses," allied with the moderate "PT Movement" and the more leftist "New Course" tendencies. Struggles and Masses and New Course are both Sao Paulo-centered organizations loyal to Tourism

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Minister (and former Sao Paulo Mayor, 2001-04) Marta Suplicy. PT Movement is led by Maria do Rosario Nunes, a Federal Deputy from Rio Grande do Sul (RS), where the PT is very strong, and Arlindo Chinaglia of Sao Paulo, President of the Chamber of Deputies. Tatto made an extremely strong showing in Sao Paulo state, home to about a third of PT members, outpolling Berzoini here by about 48 to 32 percent.

14. (U) Jose Eduardo Martins Cardozo (see ref A), another Federal Deputy from Sao Paulo, finished third with just under 19 percent, and has thus been eliminated from the runoff. The PT's Secretary for International Relations, Valter Pomar of "Hope is Red," got 11.43 percent, with three militant socialist and Trotskyite candidates splitting the remaining five percent.

15. (U) The balloting for "chapas" or tickets whose members will serve on the National Directorate (DN) and various party committees followed loosely the presidential vote. Berzoini's ticket, CNB, got 42.91 percent of the vote, with Tatto's "Party is for Fighting" scoring 19.69 percent and Cardozo's "Message to the Party" at 16.84. Accordingly, CNB, formerly known as the Majority Camp, has won 34 of the 81 elected seats on the DN and will have to negotiate deals with other factions to secure a majority when voting on party business.

A BITTER RIVALRY

16. (U) Going into the race, all the opposition candidates except third-place finisher Cardozo pledged that, in the event of a second round, they would unite against Berzoini and CNB. Cardozo has not yet made his position known. His "Message to the Party" faction, led by Justice Minister Tarso Genro and supported by such party luminaries as Bahia Governor Jaques Wagner and former RS Governor Olivio Dutra, is a bitter opponent of the CNB and of its de facto leader, former Lula Chief of Staff Jose Dirceu. (Note: Dirceu resigned under a cloud in June 2005 and was subsequently expelled from Congress and deprived for eight years of his political rights. The Supreme Federal Tribunal recently indicted him on corruption charges related to his alleged leadership role in the "mensalao" (Big Monthly Payoff) vote-buying scandal. End Note.) The "Message"

faction is named after a manifesto published by Genro in February (ref E) calling for the "re-founding" of the PT with a more robust ethical posture, and blaming the Majority Camp (now CNB) for the corruption scandals that so badly damaged the PT's reputation.

17. (U) Apparently not eager to make a deal with Cardozo and "Message," Berzoini and his allies are reportedly reaching out to Jilmar Tatto and his faction to explore the possibility of a modus vivendi that would avoid a contentious, possibly fratricidal second round. Any agreement would involve sharing power and leadership positions. Tatto and his coalition are champions of strengthening the party's base and running a PT candidate for president in 2010. The CNB, as the faction closest to President Lula, favors his approach of identifying the most viable candidate from any of the parties in his governing coalition, not necessarily the PT. Berzoini and the CNB might emerge stronger with Tatto and his friends as partners rather than as defeated rivals, but whether they can come to an agreement remains to be seen.

COMMENT

18. (SBU) Ironically, Berzoini was not even President Lula's first
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choice for PT President. He has been derided by many PT militants as a weak leader who was further weakened by allegations of his participation in the 2006 "dossier" scandal, in which PT members and Lula campaign workers allegedly purchased a false dossier ginned up to embarrass Sao Paulo gubernatorial candidate Jose Serra. By all accounts, Lula preferred his foreign affairs advisor, PT First Vice-President Marco Aurelio Garcia, who ran the party during Berzoini's enforced leave of absence. However, Garcia faced opposition from within CNB and never launched a candidacy, and Lula grudgingly accepted Berzoini, who now faces the difficult task of leading the PT through the 2008 municipal elections and into the 2010 campaign.

19. (SBU) When Berzoini and the Majority Camp won the 2005 internal elections, a number of leftists, some of them quite prominent PT founders and long-time leaders, defected to Heloisa Helena's Socialism and Liberty Party (PSOL). Nothing so drastic is expected to happen this time. If Berzoini prevails, the PT will continue to chart a pragmatic, centrist course, supporting the Lula administration's moderate governance, with the left wing and the social movements continuing to articulate vocal criticism of the government's economic policies even while remaining essentially loyal. The "Message" faction will agitate for internal party reform from a minority position, making scant progress. Jilmar Tatto, for his part, is known as an urban machine politician without strongly held ideological views, but some of his supporters are to the left of center. Were they to hold the reins of power in the PT, they would likely push for more progressive economic policies. More to the point, a Tatto presidency would significantly increase Marta Suplicy's clout within the party leadership and her chances of being the PT's 2010 presidential candidate. At the moment, she is still deliberating over whether to make another run for Mayor of Sao Paulo next year.

110. (SBU) Regardless of which candidate wins, the PT will likely continue to command the loyalties of about 16-18 percent of voters nationwide, as evidenced by its 2006 Congressional vote, and to remain strong among the poor and the working class and in certain states and regions. If the economy remains strong and Lula's second term is viewed as successful, the PT may fare well in 2010. For now, however, it is struggling to find a leader or a theme to rally around. End Comment.

111. (U) This cable was cleared by Embassy Brasilia.

WHITE